

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WISCONSIN**

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*In re:*

Crapp Farms Partnership,  
  
Debtor.

Case No. 17-11601  
Chapter 11

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**AGREED ORDER:  
(1) AUTHORIZING DEBTOR'S LIMITED USE OF CASH COLLATERAL; AND  
(2) GRANTING BMO HARRIS BANK, N.A. RELIEF FROM THE AUTOMATIC STAY**

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Based upon an agreement by and between Crapp Farms Partnership, the debtor herein (the "Debtor" or "Partnership") and BMO Harris Bank, N.A., a secured creditor and interested party herein ("BMO"), regarding Debtor's Motion for Interim and Final Orders (A) Authorizing Use of Cash Collateral and (B) Granting Adequate Protection filed as Docket Entry Number 8 (the "Cash Collateral Motion"), and BMO's Motion for Relief from Stay or, in the Alternative, to Dismiss Debtor's Chapter 11 Bankruptcy (the "Relief from Stay Motion"), the Debtor and BMO hereby agree as follows.

**WHEREAS**, prior to the filing of the Debtor's bankruptcy petition on May 3, 2017 (the

“Petition Date”), BMO held a perfected security interest in the personal property of the Debtor, as described in the security agreements executed by the Debtor and related entities prepetition.

**WHEREAS**, prior to the filing of the Debtor’s bankruptcy Petition, BMO commenced a Wisconsin Statutes Chapter 128 Receivership Action against Debtor (and a related entity) in the Circuit Court for Grant County, Wisconsin (Case No. 17CV148) (“Receivership Action”) seeking the appointment of Michael Polsky, Esq. as the Wisconsin Statutes Chapter 128 Receiver (“Proposed Receiver”). The instant bankruptcy filing stayed that action and the appointment of the Receiver.

**WHEREAS**, On May 5, 2017, the Debtor filed the following “first day” motions seeking relief that would allow the Debtor to continue its operations during the pendency of the above-captioned Chapter 11 Case (the “Case”): (a) Debtor’s Motion for Interim and Final Orders (A) Authorizing Use of Cash Collateral and (B) Granting Adequate Protection filed as Docket Entry Number 8 (the “Cash Collateral Motion”); (b) Debtor’s Motion for entry of an Order (i) Authorizing Payment of Employee Wage Obligations, Payroll Taxes, and Expense Reimbursements; (ii) Authorizing, Maintaining and Honoring Employee Benefit Programs; and (iii) Authorizing Financial Institutions to Honor and Process Checks (the “Employee Wage Motion”); (c) Debtor’s Motion for an Order Authorizing Payment of Prepetition Sales, Use, and Other Taxes, Fees and Government Charges (the “Tax Motion”); and (d) Debtor’s Motion for an Order Authorizing Use of Prepetition Bank Accounts and Business Forms (the “Cash Management Motion”) (collectively, the “First Day Motions”).

**WHEREAS**, BMO maintains a first priority security interest in any and all accounts, deposit accounts and contract rights of Debtor, and proceeds thereof owned by Debtor and related to Debtor’s current operations (the “Cash Collateral”).

**WHEREAS**, BMO is unwilling to consent to even limited use of its cash collateral, unless

it is provided a replacement lien on personal property acquired by the Debtor post-petition, and BMO believes that Debtor's proposal does not provide for adequate protection of BMO's security interest.

**WHEREAS**, on May 11, 2017, BMO filed its Omnibus Objection to the Debtor's first day motions which included an objection to the Cash Collateral Motion as Docket Entry No. 24 (the "BMO Omnibus Objection").

**WHEREAS**, on May 11, 2017, BMO filed its Motion for Relief from Stay or, in the Alternative, to Dismiss Debtor's Chapter 11 Bankruptcy in this Case as Docket Entry Number 22 (the "Relief from Stay Motion").

**WHEREAS**, the Debtor and BMO having reached an agreement for the Debtor's interim limited use of cash collateral subject to certain conditions, the Objection to Debtor's Cash Collateral Motion filed by Commodity Credit Corporation having been withdrawn, the Debtor's intent to withdraw the Employee Wage Motion and the Tax Motion contemporaneous with the filing of this Agreed Order as a proposed order, there being no objections to the Relief from Stay Motion having been filed by any party in interest, and this Court being advised in the premises, the Debtor and BMO agree to the entry of this Agreed Order: (1) Authorizing Debtor's Limited Use of Cash Collateral; and (2) Granting BMO Harris Bank, N.A. Relief from the Automatic Stay (the "Agreed Order").

**THEREFORE, IT IS HEREBY ORDERED** that:

1. BMO holds a perfected security interest in the assets of the Debtor as described in its security agreements as collateral for obligations owed to it by the Debtor, including accounts, deposit accounts and contract rights and proceeds thereof.
2. In order to protect BMO's security interest in cash collateral that existed on or after the date of the filing of Debtor's bankruptcy Petition, BMO is hereby provided with a first and

paramount post-petition replacement lien (the "Post-petition Lien") on the Debtor's real and personal property, including but not limited to, equipment, livestock, fixtures, inventory, documents, general intangibles, accounts, and contract rights, and specifically including any and all accounts, deposit accounts and contract rights of Debtor, and proceeds thereof owned by Debtor and related to Debtor's current livestock, trucking and excavating operations, except to the extent that any such collateral may be subject to valid, properly perfected, priority liens of pre-petition secured creditors other than BMO.

3. The Post-petition Lien shall be deemed perfected as of the Petition Date upon the entry of this Order. BMO may, but is not required to, file a financing statement with the Wisconsin Department of Financial Institutions to perfect the Post-petition Lien. The Post-petition Lien shall be deemed to attach to any such assets that the Debtor has an interest in not otherwise described herein.

4. The Post-petition Lien shall not be deemed to attach to any accounts, deposit accounts, contract rights, or other such interests in any 2017 crops that may be planted by the Debtor to the extent that Debtor obtains Court approval for financing to plant during the duration of this Order, except that BMO may be granted a second lien on any such collateral.

5. All of BMO's rights to object to any motion filed by the Debtor to obtain approval for post-petition financing shall be and are hereby preserved for the benefit of BMO.

6. The Debtor may use Cash Collateral to pay post-petition expenses from May 25, 2017 through June 16, 2017, in accordance with the budgets attached to this Order (the "Approved Budgets"). The Debtor may only use the Cash Collateral for those budgeted items in the amounts set forth on the Approved Budgets, and Debtor is only authorized to use those funds paid to Debtor that are identified as Revenue on the Approved Budgets as the source of funds to pay those expenses identified on the Approved Budgets. Debtor and BMO expressly agree that the proceeds

from the sale of 2016 crops shall not be used to pay any expenses set forth on the Approved Budgets.

7. Other than as provided for in this Order, the Debtor shall not be entitled to use the Cash Collateral.

8. Until the Termination Date (as defined below), the Debtor is authorized to retain its current operating account at BMO. However, in the event that any of the following occur, Debtor shall open a new debtor-in-possession account at an authorized financial institution: (1) the Approved Budgets shall be amended, modified or altered upon BMO's consent and by the Order of the Court, (2) the amount on deposit in the current operating account at BMO shall exceed \$250,000, or (3) Debtor obtains an order approving debtor-in-possession financing. The Debtor shall also provide weekly account history transaction reports to the Office of the United States Trustee (the "UST").

9. Until the Termination Date (as defined below), the Debtor is authorized to continue to use all correspondence, business forms (including, but not limited to, letterhead, purchase orders, and invoices) existing immediately before the Petition Date.

10. As consideration for the Debtor's use of the Cash Collateral, pursuant to the terms of this Order, the Debtor shall deposit with BMO all funds received by the Debtor from its livestock, trucking, and excavating operations as identified on the Approved Budgets. In the event that Debtor is required to open a debtor-in-possession account at a financial institution other than BMO, Debtor agrees to provide weekly account history transaction reports to BMO and to execute an account control agreement evidencing BMO's security interest in Cash Collateral and the operating account.

11. Unless further extended pursuant to an agreement by the parties or by order of the Court, this agreed Order shall terminate at 4:00 p.m. on June 16, 2017.

12. BMO is not agreeing to advance additional funds, but is only permitting Debtor to use Cash Collateral to pay the expenses identified on the Approved Budgets.

13. The Relief from Stay Motion is hereby granted, and BMO's proposed Order granting relief from stay [Docket Entry 23] shall immediately be entered by this Court.

14. Subject to the provisions of paragraph 15 below, BMO shall be and is hereby is entitled to seek the immediate appointment of the Receiver in the Receivership Action, and the Debtor consents to the appointment of the Receiver consistent with the provisions of this Order.

15. As it relates to the Order granting BMO Relief from Stay, this Agreed Order shall be held in abeyance until the earlier of: (1) 4:00 p.m. on June 16, 2017, or (2) such time as Debtor has insufficient funds to pay operating expenses identified on the Approved Budgets using the source of funds identified on the Approved Budgets (the "Termination Date"). In the event that at any time while this Order is effective Debtor has insufficient funds to pay operating expenses identified on the Approved Budgets using the source of funds identified therein, the Order granting BMO relief from stay shall be immediately effective upon BMO's filing of an Affidavit of Default with the Court identifying that the Termination Date has occurred as a result of Debtor's inability to pay expenses out of available funds.

16. In the event that prior to the Termination Date, following notice to all interested parties and a hearing, this Court enters an order authorizing the Debtor to enter into a post-petition financing agreement for the financing of 2017 crop inputs and related costs and expenses, and if relief from the stay has not otherwise become effective pursuant to Paragraph 15 above, this Court's order granting BMO relief from stay shall be deemed null and void and shall have no effect as to the Relief from Stay Motion.

17. In the event that this Agreed Order is deemed null and void as it relates to the Relief from Stay Motion, BMO's rights to request further hearings on the Relief from Stay Motion

or to file a new motion requesting similar relief, shall be and are hereby preserved.

18. In the event that this Agreed Order is deemed null and void as it relates to the Relief from Stay Motion, the Debtor's rights to file an objection to the Relief from Stay Motion or to any new motion requesting similar relief filed by BMO, shall be and are hereby preserved.

19. In the event that this Agreed Order is deemed null and void as it relates to the Relief from Stay Motion, the Debtor's rights to request further hearings upon its Motion for Interim and Final Orders (A) Authorizing Use of Cash Collateral and (B) Granting Adequate Protection shall be and are hereby preserved, and BMO's right to object or contest any such relief shall also be preserved.

20. In the event that this Case is dismissed for any reason, the Debtor shall not file any new bankruptcy proceeding until the earlier of (1) forty-five (45) days after the entry of any order dismissing this Case; (2) the earliest date for re-filing permissible under the Bankruptcy Code.

**[The remainder of this page has been intentionally left blank.]**

**KREKELER STROTHER, S.C.**

*Proposed Attorneys for Debtor,*

*Crapp Farms Partnership*

Dated

5-22-2017

By:  Kristin J. Sederholm, SB #1001895

Eliza M. Reyes, SB #1030764


Jennifer M. Schank, SB #1077110

**AXLEY BRYNELSON, LLP**

*Attorneys for BMO Harris Bank, N.A.*

Dated

5-22-2017

By:  David M. Pelletier, SB # 1072343

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# **APPROVED BUDGETS**

CRAPP FARMS 2017  
WEEKLY / BI-WEEKLY  
LIVESTOCK BUDGET

Revenue	Weekly Budget 5/27/17 - 6/2/17	Weekly Budget 6/3/17 - 6/9/17	Bi-Weekly Budget 5/27/17 - 6/9/17	Weekly Budget 6/10/17 - 6/16/17	Weekly Budget 6/17/17 - 6/23/17	Bi-Weekly Budget 6/10/17 - 6/23/17	Bi-Weekly Budget Totals
- Resale of Purchased Livestock							
Purch Hogs Sold	21000		21,000			21,000	0
Purch Cattle Sold	120865	116471	237,336	55,657	51,263	106,920	42,000
Resale of Purchased Livestock Total	141865	116471	258,336	55,657	72,263	127,920	344,256
Revenue Total	141865	116471	258,336	55,657	72,263	127,920	386,256
Cost Of Goods Sold							
- Cost of Purchased Livestock Sold							11,601
Feeders -90# Calves							0
Wean Pigs-12# Piglets							0
Cattle Grower Gain		42000	42,000				0
- Dave Crubel - Cattle	326	326	652				0
- Matt Brewer - Cattle	573	573	1,146				652
- Greg Crubel - Cattle	796	796	1,592	796	796	1,592	1,146
- Jim Wilson - Hogs	3900		3,900				3,900
Cost of Purchased Livestock Sold Total	5595	43695	49,290	796	796	1,592	50,882
- Bedding Cost							0
Bedding Supply-Produced & Purchased	1350	1350	2,700	1,350	1,350	2,700	5,400
Bedding Cost Total	1350	1350	2,700	1,350	1,350	2,700	5,400
- Feed and Supplement Cost							0
Complete Feed	5250	5250	10,500	5,250	5,250	10,500	21,000
Distillers	2850	2850	5,700	2,850	2,850	5,700	11,400
Feed Additives	3675	3675	7,350	3,675	3,675	7,350	14,700
Feed Corn Shelled	13125	13125	26,250	13,125	13,125	26,250	52,500
Feed Hay	1325	1325	2,650	1,325	1,325	2,650	5,300
Feed Premix	2175	2175	4,350	2,175	2,175	4,350	8,700
Feed Soybean Meal	4500	4500	9,000	4,500	4,500	9,000	18,000
Feed Meds	1100	1100	2,200	1,100	1,100	2,200	4,400
Feed Corn Silage	700	700	1,400	700	700	1,400	2,800
Feed Earlage	675	675	1,350	675	675	1,350	2,700
Feed Haylage	625	625	1,250	625	625	1,250	2,500
Feed Preparation	325	325	650	325	325	650	1,300
Feed Gluten	2500	2500	5,000	2,500	2,500	5,000	10,000
Feed and Supplement Cost Total	38825	38825	77,650	38825	38825	77,650	155,300
Cost Of Goods Sold Total	45770	83870	129,640	40,971	40,971	81,942	211,581
Gross Margin	96095	32601	128,696	14686	31292	45,978	174,674

CRAPP FARMS 2017  
WEEKLY / BI-WEEKLY  
LIVESTOCK BUDGET

Expenses	Weekly Budget 5/27/17 - 6/2/17	Weekly Budget 6/3/17 - 6/9/17	Bi-Weekly Budget 5/27/17 - 6/9/17	Weekly Budget 6/10/17 - 6/16/17	Weekly Budget 6/17/17 - 6/23/17	Bi-Weekly Budget 6/10/17 - 6/23/17	Bi-Weekly Budget Totals	Cash
- Labor Expense								
Labor Wages	4000		4000	4,000	4,000	8,000	16,000	0
- Employee Deduction	8850		8,850				8,850	0
- 401(k) Contribution	371		742	371	371	742	1,484	0
- Payroll Taxes	176		352	176	176	352	704	0
Labor Expense Total	13397		17,944	4,547	4,547	9,094	27,038	0
- Fuel Expense								
Fuel Diesel	1000		2,000	1,000	1,000	2,000	4,000	0
Fuel Gas	150		300	150	150	300	600	0
Fuel Expense Total	1150		2,300	1150	1150	2,300	4,600	0
- Insurance Expense								
Livestock Insurance	1140		2,280	1,140	1,140	2,280	4,560	0
Health Insurance	8200		8,200				8,200	0
Insurance Expense Total	9340	1140	10,480	1,140	1,140	2,280	12,760	0
- Marketing Expense								
Checkoff	211		422	211	211	422	844	0
Commission	373		746	373	373	746	1,492	0
Marketing Insurance	178		356	178	178	356	712	0
Marketing Expense Total	762		1,524	762	762	1,524	3,048	0
- Repair / Maintenance Expense								
Repair Equipment	513		1,026	513	513	1,026	2,052	0
Power Wash Hog Facility	2500						2,500	0
Repair / Maintenance Expense Total	3013		3,526	513	513	1,026	4,554	0
- Supplies Expense								
General Supplies	729		1,458	729	729	1,458	2,916	0
Supplies Expense Total	729		1,458	729	729	1,458	2,916	0
- Utilities Expense								
Electric & Phone	279		558	279	279	558	1,116	0
LP Fuel - Hog Facility	493		986	493	493	986	1,972	0
Utilities Expense Total	772		1,544	772	772	1,544	3,088	0
- Animal Health Expense								
Animal Health Pharmaceuticals	8425		16,850	400	400	800	17,650	0
Animal Health Expense Total	8425		16,850	400	400	800	17,650	0
- Veterinary Services Expense								
Veterinary Services	100		200	100	100	200	400	0
Veterinary Services Expense Total	100		200	100	100	200	400	0
- Contract Production Expense								
Contract Yardage	132		264	132	132	264	528	0
Contract Production Expense Total	132		264	132	132	264	528	0
Expenses Total	37820	18270	56,090	10245	10245	20,490	76,580	0
Net Income From Operations	58275	14331	72,606	4,441	21,047	25,488	98,094	56

Desc Main

CRAPP FARMS TRUCKING  
WEEKLY / BI-WEEKLY  
2017 BUDGET

Revenue

- Gross Receipts or Sales  
3rd Party Customers Only  
Gross Receipts or Sales Total

Revenue Total  
Expenses

- Labor Expense  
Labor Benefits Medical Expense  
Labor Health Insurance  
Labor Insurance Life  
Labor Vacation Pay  
Labor Wages

- Labor Expense Total  
Benefits Expense  
Labor Benefits Pension  
Benefits Expense Total

- Payroll Taxes  
Futa tax expense  
Payroll tax expense  
Suta tax expense

- Payroll Taxes Total  
Fuel Expense

- Fuel Expense  
Fuel Expense Total

- Insurance Expense  
Insurance - Liability  
Insurance - Vehicle  
Insurance - Worker's Comp

- Insurance Expense Total  
Marketing Expense

- Marketing Expense  
Marketing

- Marketing Expense Total  
Professional Services Expense

- Professional Services Expense  
E-Log - Software & Support

- Professional Services Expense Total  
Repair / Maintenance Expense

- Repair / Maintenance Expense  
Repairs

- Repair / Maintenance Expense Total  
Supplies Expense

- Supplies Expense  
Supplies - General  
Supplies - Office

- Supplies Expense Total  
Utilities Expense

- Utilities Expense  
Utilities

- Utilities Expense Total  
Interest Expense-Other

- Interest Expense-Other  
Interest Expense  
Interest Service Charge  
Interest Expense-Other Total

- Other Tax Expense

Weekly Budget 5/27/17 - 6/2/17	Weekly Budget 6/3/17 - 6/9/17	Bi-Weekly Budget 5/27/17 - 6/9/17	Weekly Budget 6/10/17 - 6/16/17	Weekly Budget 6/17/17 - 6/23/17	Bi-Weekly Budget 6/10/17 - 6/23/17	Bi-Weekly Budget Totals
48000	48000	96000	48000	48000	96000	192000
48000	48000	96000	48000	48000	96000	192000
48000	48000	96000	48000	48000	96000	192000
241	241	482	241	241	482	964
45	45	90	45	45	90	180
12000	12000	24000	12000	12000	24000	48000
12286	12286	24572	12286	12286	24572	49144
820	74	894	84	89	173	3567
4020	3590	7610	1098	1174	2272	10882
298	272	570	307	327	634	1224
5138	3936	9074	1489	1590	3079	11153
12000	12000	24000	12000	12000	24000	48000
106	106	212	106	106	212	424
1351	1351	2702	1312	1312	2624	5236
814	814	1628	814	814	1628	3256
2271	2271	4542	2232	2232	4464	8966
1100	1100	2200	1100	1100	2200	4400
1100	1100	2200	1100	1100	2200	4400
5000	5000	10000	0	0	0	10000
5000	5000	10000	0	0	0	10000
697	697	1394	697	697	1394	2788
46	46	92	46	46	92	184
743	743	1486	743	743	1486	2972
282	282	564	282	282	564	1128
282	282	564	282	282	564	1128
420	420	840	357	357	714	1554
18	18	36	85	85	170	206
438	438	876	442	442	884	1760

CRAPP FARMS TRUCKING

WEEKLY / BI-WEEKLY

2017 BUDGET

Taxes and Licenses

Other Tax Expense Total

TOTAL EXPENSES

PROFIT/LOSS

Weekly Budget 5/27/17 - 6/2/17	Weekly Budget 6/3/17 - 6/9/17	Bi-Weekly Budget 5/27/17 - 6/9/17	Weekly Budget 6/10/17 - 6/16/17	Weekly Budget 6/17/17 - 6/23/17	Bi-Weekly Budget 6/10/17 - 6/23/17	Bi-Weekly Budget Totals
0	0	0	2560	5120	5120	5120
0	0	0	2560	5120	5120	5120
39258	38056	77314	33134	33235	66369	143683
8742	9944	18686	14866	14765	29631	48300
					PROFIT:	48,311

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Case 1:17-cv-01601-cjf

Doc 49

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Page 13 of 14

Desc Main

